NOVA SCOTIA
Agriculture and Fisheries

Accountability Report

2004–05

106-02560/

Department of Agriculture and Fisheries
Annual Accountability Report for the Fiscal Year 2004–05

Table of Contents

Accountability Statement....2

Message From the Minister....2

Introduction....3

Department Progress and Accomplishments....4
- Core Business 1....4
- Core Business 2....7
- Core Business 3....18
- Core Business 4....22
- Internal Management....23

Budget Context....24

Performance Measures....25

Accountability Statement

The Accountability Report of the Nova Scotia Department of Agriculture and Fisheries covers the period April 1, 2004 to March 31, 2005. This report is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. Its purpose is to report outcomes against the Department of Agriculture and Fisheries Business Plan for the Fiscal Year 2004–05. The report necessarily includes estimates, judgements and opinions of the Nova Scotia Department of Agriculture and Fisheries' management.

We acknowledge that this Accountability Report is the responsibility of the Department of Agriculture and Fisheries' management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the 2004–05 Nova Scotia Department of Agriculture and Fisheries Business Plan.

Message From the Minister

It is my pleasure to present the 2004–05 Annual Accountability Report for the Nova Scotia Department of Agriculture and Fisheries. This report describes the department's efforts to achieve the priorities as outlined in its 2004–05 Business Plan.

Staff worked closely with industry representatives to manage issues and generate opportunities for the agriculture, aquaculture and fisheries industries.

The department strives to provide a competitive business climate that encourages economic growth and job creation in rural and coastal communities. With efficient regulations we continue to boost consumer food safety confidence and provide for the responsible development of the agriculture and fishing industries. With education and training abilities we provide the means for a globally competitive workforce. Support to our industries will continue through various programs and constant dialogue.

Striving to achieve our goals takes time and commitment and I would like to express my thanks to department staff for providing quality programs and services to the agriculture, aquaculture and fisheries industries.

I invite readers to learn more about our diverse department by visiting http://www.gov.ns.ca/nsaf/.

Chris d'Entremont, Minister

Rosalind Penfound, Deputy Minister

Introduction

This Accountability Report is based on the core businesses, strategic goals, priorities and performance measures set out in the department's 2004–05 Business Plan. Readers are encouraged to read this report with the department's business plan to fully understand the department's challenges, opportunities, priorities and core businesses. The business plan can be viewed on the department's website, http://www.gov.ns.ca/nsaf/department/business_plans/. The department's programs support the core businesses, goals and priorities of the Government of Nova Scotia.

The purpose of the report is to share an overview of ongoing work and achievements made toward core business priorities and performance measures for the Nova Scotia Department of Agriculture and Fisheries, including the Nova Scotia Agricultural College (NSAC) during the period April 1, 2004 to March 31, 2005.

Four core businesses are outlined, each with a number of priority items. Staff worked to carry out the department's mission - to foster prosperous and sustainable agriculture and fisheries industries through the delivery of quality public services for the betterment of rural and coastal communities and of all Nova Scotians.

Core Business Achievements 2004–05

Core Business 1: Sustainable Resource Management – balances industry development with environmental and social responsibility through applied research, technology transfer, generally accepted management practices and industry public awareness.

Priority – Implement 'environmental' initiatives under the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework.

Achievements:

Sustainable Agriculture

- Enrolled approximately 270 farms in the Environmental Farm Plan (EFP) initiative, for a total of 670 to date. This represents 27 percent of all farms in Nova Scotia using a base of 2400 registered farms and surpasses the target of 20 percent by 2004-05. The enrollment also means 51,000 hectares of commercial farmland are covered by EFPs. The department continued enhancement and delivery of the EFP initiative. The department completed negotiations with the Government of Canada to have Nova Scotia's EFP acknowledged as consistent with the national EFP model. The EFP initiative is a priority in Nova Scotia and is highlighted in the Canada-Nova Scotia Implementation Agreement for the Agricultural Policy Framework Agreement (APF) as a key element of sustainable agricultural development. The EFP builds on scientific research and innovative technology, and incorporates nutrient management planning, revised manure management guidelines, and on-farm water management. EFPs lead to improved environmental performance on farm and improved management of natural resources associated with farmland (air, water, soil, and biodiversity).

- Continued to assist farmers to address environmental risks through the Farm Investment Fund (FIF). In 2004–05, $3,605,458 was invested in environmental projects in the categories of Land Development Water Management, Agro-Environmental, and Biodiversity Initiatives. The FIF allows producers to more quickly adopt the environmentally beneficial actions identified on their EFP and is recognized under the Canada-Nova Scotia Implementation Agreement for the APF.

Climate Change

- Established 17 demonstration sites across Nova Scotia through a partnership between the Nova Scotia Agricultural College (NSAC) and the Soil and Crop Improvement Association of Nova Scotia to raise awareness and the level of adoption of best management practices that will guide the agriculture industry in the reduction of greenhouse gas emissions.
- Created a Canada Research Chair in Agricultural Resources Management at the NSAC to further link climate change management and farm-level technologies.

The Research Chair has identified practical solutions to improve the management of soil. The NSAC's Climate Change Program continues to address a range of issues and looks for practical solutions to improve management of soil, including soil-water risks, on-farm nutrient production, manure storage and handling and construction of natural wetland systems.

- Continued a partnership between the NSAC and the Atlantic Farmers Council to develop funding opportunities for the creation of an Atlantic Alternative Energy Centre. The centre will facilitate the development of farm-level alternative energy technologies, including the development of farm-level bio-gas facilities for livestock operations, wind power and waste utilization systems.

Priority – Implement strategies and initiatives designed to address environmental issues in the fishing sector, particularly aquaculture and the sport fishery.

Achievements:

Fisheries and Aquaculture

- Sampled 93 suspended aquaculture sites (finfish and shellfish sites where cages and mussel lines are floating in the water column) in 2004–05 to establish baseline data of existing environmental conditions for all aquaculture sites. This brought the total number of sites sampled to 112. This equals 60 percent of all aquaculture sites, including all sites that are in full production. The department has analyzed the full data set and has presented the results at several meetings and conferences. The department will advance the Environmental Monitoring Program (EMP) into the operational phase where a combination of sampling new sites and returning to previously sampled active sites will occur on a rotational basis. A large data set now exists for Nova Scotia and preliminary results show limited environmental impact from aquaculture. The majority of sites showed no significant impact and a handful of sites were found to be partially impacted. There is also no evidence of impact beyond the boundaries of the lease area. Remediation planning and action is currently underway for the most impacted sites. Sampling suggests that some previously impacted sites have completely recovered on short time frames when left unused. The EMP is a key initiative for ensuring the ongoing environmental sustainability of aquaculture in Nova Scotia.

- Co-chaired the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM) Aquatic Species at Risk Task Group, which is developing a national strategy to implement *Species at Risk Act* (SARA) in the aquatic environment. The department's participation helps to ensure that endangered species are protected and that the commercial interests of those who use related marine resources are addressed. Departmental officials are active on other regional/national committees to ensure resource management approaches are good for Nova Scotia including cod recovery teams and the CCFAM Oceans Task Group.

Sport and Recreational Fishing

- Signed a Memorandum of Understanding on fish habitat with the Government of Canada in January 2005. The MOU provides enhanced management and coordination of fish habitat management between the responsible federal and provincial government departments. The Management Committee established by the MOU provides a forum for both governments to raise fish habitat issues.

- Implemented a five dollar Nova Scotia Sportfish Habitat Stamp that was added to 2005 recreational fishing licenses. Revenue from the stamp supports fish habitat renewal and improved access to the freshwater fish resource. Support for the new stamp has been strong.
- Continued consultations regarding the number of sportfish Special Management Areas. Public input is used to identify species that are biologically worthy candidates for protection by special regulations. Reduced catch limits are one of a large suite of protection options. The consultations also detail why these designations for protection benefit the resource and why everyone would be able to catch more and larger fish in future. Public education in resource management through the consultations provides direction on fishery management.

Coastal Zone Management

- Provided leadership on integrated coastal management (ICM) issues. Established and chaired the Provincial Oceans Network, and actively participated in numerous ICM initiatives. These initiatives ranged from long-standing international programs such as the Gulf of Maine Council on the Marine Environment, to local community-based initiatives such as the Mabou Harbour Coastal Planning Committee. These initiatives remain focused on rural and coastal communities, and the sustainable utilization of coastal resources.
- Continued to work cooperatively with Fisheries and Oceans Canada (DFO) and industry to ensure the provincial rockweed resource is harvested sustainably for maximum benefit to Nova Scotians. Three new rockweed leases were granted along the South Shore (Lunenburg County), which will result in increased revenues and employment for the region, as well as increased stewardship opportunities for industry. The Nova Scotia Department of Agriculture and Fisheries and DFO also concluded a three-year study in the Annapolis Basin looking at the impact of hand-harvesting techniques on rockweed re-growth rates and began to study the impacts of a prototype mechanical harvester in Shelburne County.

Core Business 2: Industry growth and development – focuses on Nova Scotia's rural and coastal communities by investing in industry stability, new economic opportunities and strategic development partnerships.

Priority – Implement the Business Risk Management initiatives under the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework.

Achievements:

Business Risk Management

- Played a lead communication and advisory role in the delivery of the Business Risk Management Chapter of the Canada-Nova Scotia Implementation Agreement for the APF, particularly the Canadian Agricultural Income Stabilization (CAIS) and Production Insurance (PI) programs. Activities included participation in education and promotions to increase awareness of and participation in PI and initiatives aimed at maintaining and increasing participation in the CAIS program:
  - participated on the Federal-Provincial-Territorial CAIS Working Group;
  - assisted producers through the Net Income Stabilization Account (NISA) wind-down process during the conclusion of that program;
  - delivered information sessions/workshops to keep producers current on the changes to the CAIS program and to aid in filling out the CAIS forms;
  - delivered presentations to financial institutions;
  - provided regular advertising and promotion of new CAIS features through attendance at commodity group meetings and other agricultural events, in local papers, regional farm publications, direct mailings and radio.

  These actions increased the transfer of Business Risk Management (BRM) program information to producers and increased interest and participation in BRM programs.

CAIS Statistics for the 2004-05 (as of March 31, 2005):
- 870 Producers enrolled in CAIS;
- $8.7 million in payments.

Production Insurance Statistics for 2004–05:
- $16.3 million in crops insured;
- one-third of clients chose 85 per cent or higher coverage.

- Revised the *Crop and Livestock Insurance Act* to allow a more streamlined response to market conditions. The revised Act included the extension of higher coverage options (up to 90 percent of insurable yield) to all insured crops.

BSE Programming

- Assisted producers in meeting financial challenges resulting from the negative market conditions due to the discovery of Bovine Spongiform Encephalopathy (BSE) through the Nova Scotia Ruminant Income Support Program (RISP). The discovery of BSE in May 2003 in Alberta and the resulting border closure to the exportation of beef products to the United States left the Canadian ruminant industry facing significant income loss due to depressed market conditions. The RISP assisted producers in meeting financial challenges resulting from the negative market conditions due to BSE. The RISP increased support to the ruminant industry and improved the cash flow positions of producers, assisting them to withstand the negative impacts of the border closure.

RISP Program Statistics

Livestock Type	Number of Animals	Total Payment
Beef Cows	25,526	$4,689,589
Beef Replacement Heifers & Steers	29,346	$2,262,420
Dairy Replacements	18,396	$673,192
Breeding Female Sheep	8,981	$394,386
Breeding Female Goat	703	$30,871
Total (1246 Applications/ Authorizations Received)	**82,952**	**$8,050,458**

Priority – Strengthen industry development and growth.

Achievements:

Agriculture Development

- Continued to support sustainable growth in farm businesses through the Farm Investment Fund (FIF). In 2004–05, the FIF provided investment in Business and Human Resources Development, Land Development, Water Management, Regulatory Compliance and Agro-environmental projects. Total investment of $5,173,163 was committed for 2470 projects from 886 approved applications. Average project funding approval per farm was $5,839. FIF is recognized within the Canada-Nova Scotia Implementation Agreement for APF. Funding though the FIF increased investment in the primary and processing sectors of the agri-food industry.

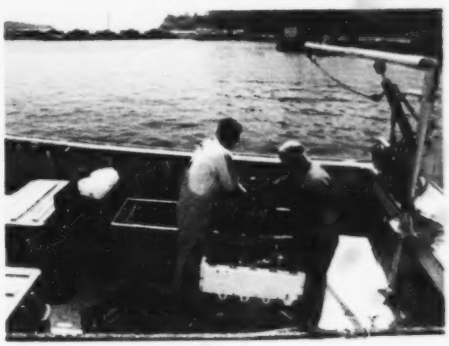
- Continued to encourage an entrepreneurial market-driven approach in the agriculture and food industries, including adaptation, economic growth and rural development in Nova Scotia through the Agri-Food Industry Development Fund (AFIDF). In 2004–05, a total investment of $737,316 was committed for 284 Business Development, Public Awareness of Agriculture and Food, Market Development and Expansion and Regulatory Compliance projects from 62 approved applications. The AFIDF is recognized within the Canada-Nova Scotia Implementation Agreement for APF. Funding though the AFIDF increased the adoption of innovative processes in the primary and processing sectors of the agri-food industry.

- Continued to support the development and adaptation of agricultural technologies and knowledge that enhance the competitive position of the Nova Scotia agri-food industry through the Technology Development (TD) Program. Investment of $1,131,580 was committed to 34 technology development projects. TD is recognized within the Canada-Nova Scotia Implementation Agreement for APF. Funding though the TD program increased technology development, introduction and transfer in primary and processing sectors of the agri-food industry.

- Provided assistance to provincially inspected on-farm slaughter facilities to meet provincial inspection licensing requirements by supporting the implementation of food safety components through the Regulatory Compliance Food and Farm Safety initiative. This initiative is recognized under the Food Safety and Quality Chapter of the Canada-Nova Scotia Implementation Agreement for APF. In 2004–05, $309,765 was committed to regulatory compliance and delivered through the FIF and AFIDF. Funding through the Regulatory Compliance Food and Farm Safety initiative strengthened food safety systems throughout the meat processing sector of the agri-food industry.
- Provided $2.2 million in funding to AgraPoint International Inc. to provide extension and knowledge services to the agriculture industry. Services provided to the industry by AgraPoint include a toll-free call in and referral service, specialized agrologist services, coordination of industry events and conferences, participation in task forces and committees and participation in research, education and technology transfer initiatives. AgraPoint also provides agrology advice to the department.

Fisheries and Aquaculture

- Established a close working relationship and regular networking between officials in the Nova Scotia Department of Agriculture and Fisheries and the Nova Scotia Department of Energy to address issues that impact the two industries. In 2003, the two departments co-sponsored a fishermen representatives' visit to the North Sea to explore the relationship between the fisheries and oil and gas industries. The North Sea Oil and Gas and Fisheries Report to the Ministers was prepared on what was observed and learned during the visit and its recommendations were presented to representatives of fishermen's associations. One of the main recommendations was to establish an organization or structure that could provide coordinated, professional representation of fishermen's interests when dealing with the oil and gas industry. Industry groups are reviewing these recommendations and they will be addressed at the November 2005 Minister's conference. Many fishing interests are concerned about possible impacts of the oil and gas industry on fish resources. The activities taken to improve knowledge and communication between the two industries are helping to address these concerns.



- Participated on approximately 70 fisheries management and science advisory committees that review stock information and formulate harvest plans. Department officials bring expertise to the table to protect the resource and the interests of Nova Scotia fishermen and the Province. As a result, temporary crab licences issued to Nova Scotia fishermen in an exploratory area off Cape Breton were made permanent, fleet quotas were established for Nova Scotia tuna fleets, and Nova Scotia fishermen were granted access to the Gulf of Saint Lawrence shrimp fishery. The crab license decision means that hundreds of thousands of dollars in crab resources will come to Nova Scotia communities from the resource each year and the tuna fleet share decision means that Nova Scotia's tuna fleets will be able to manage their own portion of Canada's tuna resource and fish when market prices bring the best return to their fishermen.

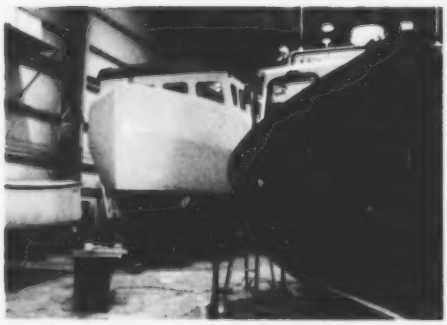
- Co-chaired a joint Federal-Provincial Industry committee that developed a study titled *The Economic Value of the Nova Scotia Ocean Sector*, which provided a comprehensive assessment of the economic impact of marine-based industries on the Nova Scotia economy from 1995 to 2001. The study found that the value of the ocean economy nearly doubled over the seven-year period, comprising over 15 percent of total Nova Scotia GDP in 2001. Of particular interest to the Nova Scotia Department of Agriculture and Fisheries are the findings that confirm the importance of fisheries and aquaculture to the Nova Scotia economy. The fishing industry (harvesting and processing) leads all other marine sectors in employment, and in terms of income and GDP ranks second to Defense and oil and gas respectively. The study provides a valuable context for the development and delivery of existing and future programs and services.

- Represented the department and the province nationally through the Aquaculture Task Group of the Canadian Council of Fisheries and Aquaculture Ministers. The task group awarded a contract to Canadian Aquaculture Systems Incorporated to review Business Risk Management in Aquaculture and determine if existing risk management programs in Agriculture (such as CAIS) could be adapted to Aquaculture. The task group continues to improve aquaculture site accessibility and the department has been involved in multilateral negotiations with the New Brunswick and Federal governments on harmonizing information requirements for finfish aquaculture site applications. The department also participated in a regional task force to foster sustainable salmon farming in Atlantic Canada. These initiatives will enable the department to offer improved programming to clients by reducing aquaculture risks and improving the profitability and stability of the industry.

- Published and distributed the discussion document *Long-term Planning for Aquatic Farming in Nova Scotia* to industry stakeholders. Consultations on the document were held around the province with industry stakeholders and the document was published on the department web site for public comment. A report on the consultations and public comments is being prepared. The discussion document and the results of the consultation and public comments will form the basis of a new aquaculture development strategy.

Boat Building

- Provided funding through the Canada/Nova Scotia Economic Diversification Agreement to support marketing, promotion, research and development, new designs, education, training and the Nova Scotia Boat Builders Association office. This support has helped to diversify the boat building industry, and has succeeded in continuing commercial fishing vessel construction and generating new opportunities in the recreational, sportfishing and sailing yacht markets. It has also helped to increase sales to the US market. Over the past five years Nova Scotia boat building sales have increased over 180 percent.



Community Infrastructure and Economic Development

- Approved funding totalling $341,000 for 41 projects ranging from harbour infrastructure to research and development projects. Harbour infrastructure projects in ports such as Neils Harbour, Victoria County and Meteghan, Digby County received cost-shared incentives to build vessel haul outs and wharf winches. These projects assist coastal communities to improve the safety at wharves and increase the access to our marine waters. Innovative projects included a unique solution to growing land-based Abalone, a controllable lobster bait release mechanism and experimenting with various methods to harvest sea cucumbers. These projects help to increase the profitability of the fisheries and aquaculture industries and developed new methods and products for the export marketplace.

- Completed 166 projects to rebuild wharves, freezers and fishing gear sheds on the South and Eastern shores of Nova Scotia under the Hurricane Juan harbour reconstruction program at a cost of $2.5 million. The program provided funds for fishermen to rebuild essential infrastructure to enable them to continue fishing. Wharves and buildings have been upgraded and new facilities built.

Business and Industry Development

- Prepared a statistical report, *Apple Production, Utilization and Trade Statistics*, that provides production, utilization, processing, consumption and grower price information for the growing regions in the northeast United States and eastern Canada, the United States and Canada overall, as well as world apple production and trade by country. The project enhanced the business development intelligence of the Nova Scotia Fruit Growers Association (NSFGA) and the NSAC's Tree Fruits Bio-Products Program. The department also prepared a comprehensive report on the *Future Market Potential for Apple Bio-Products*. The project reviewed key developments and market opportunities for apples and apple based bio-products and was part of a larger project undertaken in partnership with the NSAC's Tree-Fruit Bio-Product Research Program. The long-term goal for the program is to enhance the economic value of apples and other tree-fruits and to assure the sustainability of the Nova Scotia tree-fruit industry. The report has focussed the NSFGA on future market growth in identified development areas including:

  - Fortified Juice (natural apple juice enriched with apple phytonutrients, low sugar)
  - Sports/Baby Drinks (enriched juice beverage diluted with pure water)
  - Nutraceutical Powders (processed apple peel powder)
  - Targeted 'Health' Products (Cancer, Diabeties, Heart Disease, etc.)

- Prepared a cost-benefit analysis of adopting National Wine Standards (NWS) in Nova Scotia. The analysis quantified the implications of implementing NWS in Nova Scotia and the negative impact on future development of the Nova Scotia grape and wine industries. Results of the analysis should improve Nova Scotia's negotiating position at the national level.

- Conducted a series of seven Agri-food Business Development Roundtables throughout Nova Scotia. Approximately 200 participants from the agri-food and seafood sectors attended the sessions with broad representation across multiple sectors. Specific results included:
  - identification of business development issues, barriers to growth, and opportunities in the sectors;
  - input from industry into development issues affecting competitiveness that will provide focus for future direction and initiatives;
  - transfer of information on changing consumer trends and demands in the agri-food sector, including the importance of value-added products and sensitivity to consumer needs as a route to business competitiveness.

  The roundtables provided a forum for assessing the business management needs of the agri-food and seafood sectors, which will be a basis for making department programming more effective.

- Produced nine editions of the *Innovation and Opportunity Digest*, a semi-monthly theme-based journal with commentary and business management issue discussion. In 2004–05, topics covered included Community Supported Agriculture, New Generation Cooperatives, Eco-Labels and Niche Marketing, Farmer-Chef Partnerships, Direct Marketed Seafood, New Farmer Resources, Pasture Raised Livestock and Business Development Resources. The digest is distributed to department staff, farm business consultants, Regional Development Authorities (RDAs), producers, processors, and interested parties from across Canada and the United States and is available on the department website. Requests received as a result of the digest resulted in several research projects, including an investigation into development questions associated with Mobile Processing Units, a tool which may be of use to small scale, organic producers. The digest enhanced awareness of innovative business opportunities for the agri-food and seafood sectors.

- Worked with the organic industry, through the Atlantic Canada Organic Regional Network (ACORN), to address the issues and barriers identified in previous market studies and development roundtables. The results of the studies and roundtables are being used to develop a project that will address some of the investment/business development issues faced by the organic industry. The project would be done under the Renewal Chapter of the Canada-Nova Scotia Implementation Agreement for the APF. This work, in cooperation with ACORN, has enhanced the awareness of the importance of sound business management among organic producers. Staff also responded to requests for business development information from business managers in the organic industry and provided support to organic businesses investigating opportunities in organic produce production (wholesale market), organic beef and pork production, and specialty herb production. Information was provided on a range of industry business development issues such as the need for cooperative/strategic alliance capacity building, human resource management, cost-of-production information for organic livestock and the research into business models and infrastructure required to more effectively capture opportunities in local and regional markets.

- Initiated an Investment Options/Access to Capital project to identify both private and public sources of capital investment and sources of funding for agri-food and seafood businesses. The project improved the quality and availability of business information in key investment areas and assisted investors in the agri-food and seafood sectors to access non-traditional sources of investment capital.

- Developed a web-based Business Development Management Database designed to track and document business development issues for the agri-food and seafood sectors. Business development information was published to the government intranet site on the following topics:
  - dairy quota exchange negotiations;
  - technology transfer;
  - intellectual property;
  - aquaculture insurance;
  - consumer trends in the agri-food sector;
  - traceability and labelling;
  - integrated coastal zone management for the aquaculture and fisheries sectors;
  - organics.

  Tracking business development issues supports a more effective business development program response based on specific industry needs.

- Implemented key development initiatives under the Renewal Chapter of the Canada-Nova Scotia Implementation Agreement for the APF, including:
  - an industry planning process with Pork Nova Scotia;
  - research on future development challenges facing the Nova Scotia vegetable industry;
  - an agreement to assist with economic analysis and development of opportunities involving apple bio-products.

  The results of renewal activities have supported more effective industry development planning among key groups and individuals. Activities initiated with Pork Nova Scotia have led to the implementation of a strategy for renewal of the Nova Scotia pork industry that is focussed on capturing new market opportunities.

- Implemented recommendations contained in the program evaluation of the Nova Scotia Farm Management Analysis Program (FMAP), including completed revisions to individual business analysis reports, prepared a five-year trend analysis and explored the possibility of adding new commodities to the program. The changes will allow more emphasis to be placed on assisting clients to develop business strategies.

Product Development

- Provided assistance to 15 companies or organizations to identify and develop new and value-added products or technology opportunities through the Product and Quality Development program. Development projects produced 22 new products with a program expenditure of $233,657. The program dollars leveraged more than $300,000 in additional funding for product research and development. Three of these projects were initiated by new business startups. New products

that were developed include sliced strawberry toppings, certified organic ice cream, a line of cheeses, pie crusts without trans-fat, a line of seafood and fruit crepes for the retail and food service markets and wine using presently non-commercial grapes that grow well in Nova Scotia.

- Partnered with other agencies to strengthen capacity for development of new and value-added products and technologies. Invested $43,670 in product development projects that involved partnership with other agencies. This investment leveraged $153,900 from other funding agencies, or $3.50 for every dollar invested by the department.
- Participated in a four company initiative to introduce selected products into the Japanese market. The initiative provided exposure to the Japanese market for the participating companies and their products. Two of the companies have shipped two orders of products to Japan and are preparing to ship a third order. The third company is negotiating costs for producing and shipping its product to Japan. The fourth company is a longer term project and is developing its product for the Japanese market.
- Conducted a series of nutritional labeling workshops throughout the province in partnership with the Canadian Food Inspection Agency (CFIA) and Taste of Nova Scotia. Four workshops were held as of March 2005 and nine more are being organized for the remainder of 2005. As of March 2005, the workshops had 49 participants from 35 companies and approximately another 90 participants from 60 companies are registered for the remaining workshops in 2005. The workshops ensure that processors are ready to meet the new Canadian labeling requirements that take effect in December 2005.
- Prepared a feasibility study for an agri-food innovation centre at AgriTECH Park. A consultant was hired to investigate the feasibility of establishing a shared commercial kitchen business incubator at AgriTECH Park in Truro for entrepreneurs to develop their products and production skills. The study has been completed and is being reviewed by the department.

Domestic and International Market Development

- Completed international and domestic market development activities, including market intelligence development, international investment attraction and incoming and outgoing trade missions in co-operation with industry, other Atlantic Provinces, and organizations such as the Atlantic Canada Food Export Partnership and Taste of Nova Scotia. Domestic and international trade shows have resulted in the projected sales of over $4.5 million dollars of Nova Scotia fish and agri-food products. They also generated over 200 solid leads for sales and evolved strategic alliance opportunities.

International and domestic market development activities undertaken in 2004-05 included participation in the following:

- Louisiana trade mission;
- America's Food and Beverage Show in Miami;
- International Boston Seafood Show;
- European Seafood Show;
- SIAL Montreal International Food Exhibition;
- Canadian/International Food and Beverage Show in Toronto;
- Agrifest, a celebration of innovations in food production for farmers, agri-business, processors, retailers and consumers;
- Incoming agri-food buyer and trade commissioner missions from Mexico, Europe, China and the US;
- Spanish market investigation;
- Alimentaria Food and Beverage Show in Mexico;
- New York Fancy Food Show;
- Emigraria 2005 Trade Show in The Netherlands;

- Completed comprehensive market research projects, including profiling research needs of clients, developing project plans, identifying industry partners and securing funding. The market research assisted in defining new market and product opportunities, improving client and sector understanding of markets, improving export readiness, increasing market management capacity and understanding the economic impacts of developing opportunities. In addition, statistical reviews were completed to support domestic and international marketing initiatives in response to ad-hoc market information requests from industry. Work was completed through government, association and industry partnering.

Market research and statistical review projects undertaken in 2004–05 included:

- Farmers Market Economic Impact Study;
- Agri-Tourism Research Study;
- Analysis of the Government of Nova Scotia's Procurement of Food Products;
- Atlantic Canada Consumer Market Research (through the Council of Atlantic Premiers Agri-food Action Team);
- Saltfish Market Review;
- Blueberry drink market research;
- Hard shell clam research;
- Apple Based Bio-products Study;
- Seafood Processing Study;
- Statistical reviews for the Louisiana market and the European seafood market;
- An export market review for the Halifax International Airport Authority (HIAA).

- Updated and maintained the Nova Scotia agri-food supplier's directory Food for Thought, the Nova Scotia Seafood Directory and weekly market price reports. Information in Food for Thought, the Seafood Directory and the market price reports assists buyers, both domestically and internationally, to identify Nova Scotia suppliers of agri-food and seafood products.

- Continued to facilitate industry development through strategic planning, research and market development guidance to client sectors in the following areas: the organic industry (ACORN organizational development), agri-tourism, wild blueberries, horticulture, red meat supply chain capacity and farmers market industry development. These activities have enhanced the ability of the sectors to address current and future market and product opportunities and threats.

- Developed and delivered food service promotional projects and industry/departmental promotional events focused on increasing knowledge and sales of Nova Scotia products in the food service Sector, developing food service relationships, enhancing relationships with associations and defining and pursuing new market and product opportunities.

Food service promotional events and industry promotional events undertaken in 2004-05 included:

- APEX Trade Show;
- Summer Seafood BBQ Promotion;
- Nova Scotia Beef Marketing Promotion;
- Cork Your Winter Blues - Nova Scotia Wine Promotion;
- Turkey Supply Chain;
- Aquaculture Harvest festival;
- Scotian Pride Aquaculture Reception;
- Oyster Shucking Contest.

- Initiated the Investment Prospectus Development project with the commissioning of a consultant to complete the work. The project will assist the development of the following investment prospectuses to promote investment opportunities within the agriculture and fishing industries in Nova Scotia:
  - Apple Orchard Renewal: To attract investment to assist in the planting of new apple varieties using advanced production technologies;
  - Industry Capital Investment/New Producers: To attract new producers and investment to the agriculture industry that will continue to develop and grow the industry;
  - Value Added Fish Processing: To profile opportunities within the seafood processing sector.

- Initiated the Financing Options investment research project to develop a comprehensive overview of financing options/programs. The project will provide information to assist existing operators in understanding available investment and financing options and improve their ability to make informed business decisions.

Trade Issues

- Organized a seminar on World Trade Organization (WTO) issues of special importance to Nova Scotia. Several briefings were also held with the Federal

government's WTO negotiating team. The seminar and briefings enhanced the understanding of the issues at play in the negotiations within the Nova Scotia agriculture industry and provided an opportunity to reiterate Nova Scotia's concerns and positions to federal government officials from Agriculture and Agri-Food Canada (AAFC).

- Prepared and circulated for consultation an *Economics Backgrounder* on the review of the Agriculture and Food Products Chapter of the Agreement on Internal Trade (AIT) and related issues including means to improve market access for Nova Scotia businesses. Interprovincial trade restrictions are a major problem for several businesses in the industry. Nova Scotia is advocating a provision in the new agreement that would provide regional flexibility within federal regulations that impose inter-provincial trade restrictions.

Financing Services

- Continued to provide fish harvesters and aquaculture operators with long-term, stable and cost effective financing through the Fisheries and Aquaculture Loan Board. The Fisheries and Aquaculture Loan Board provided 113 loans for a total of $23 million in 2004–05. This resulted in the construction and sale of 70 new boats and nine vessel upgrades.
- Provided technical and management services for the construction of sailing vessels through the Prototype Boat Credit Facility, which is a joint initiative between the Fisheries and Aquaculture Loan Board and Nova Scotia Business Incorporated (NSBI). To date, despite slow uptake, the program has seen success with one major project.
- Continued to provide agriculture producers with long-term, stable and cost-effective financing through the Nova Scotia Farm Loan Board. The Farm Loan Board provided 176 loans for a total of $20.8 million in 2004–05. This resulted in 69 loans to the beef sector. The Farm Loan Board also implemented the Ruminant Loan Program to assist producers affected by downturn in cattle prices related to the discovery of BSE in Alberta.
- The Nova Scotia Farm Loan Board assisted 39 new entrants to join the agriculture industry through the New Entrants Program. This program has provided $565,000 in interest grants to applicants.

Core Business 3: Responsible governance - focuses on the orderly development of the industries through supportive legislative/regulatory frameworks including licensing and leasing of developmental operations.

Priority – Finalize implementation of the new integrated Food Safety Program.

Achievements:

- Provided capital assistance to slaughter and meat processing facilities to upgrade and become compliant with Hazard Analysis Critical Control Points (HACCP) Program. The HACCP Program is a systematic approach to identifying and managing potential risks in the food chain. Twelve applications were approved for a total of $213,000. This allows provincially registered meat processing plants to better respond to food safety and animal health issues and to meet changing food safety requirements.
- Worked with commodity groups to begin using on-farm HACCP practices in the production of livestock. Compliance with food safety and animal health standards is opening up marketing opportunities for producers of high quality products.
- Provided increased food inspection resources to the Halifax Regional Municipality (HRM) area to meet growing demand for service as a result of the rapidly growing number of food service establishments in the HRM. Increased awareness of the food production continuum among department fish inspectors and fish processors and buyers through staff and industry training. These measures have helped to reduce incidents of food borne illness and consumer complaints about food safety for the third consecutive year.

- Shifted the focus of laboratory testing to programs required by regulation. Industry is taking more responsibility for providing or procuring their own business focussed laboratory testing services. Mink disease testing is now being carried out by the industry association. This has resulted in more cost-effective and efficient provision of laboratory testing services to industry.
- Provided training aimed at preparing all provincially registered meat processing plants to meet requirements for the removal of specified risk materials (SRMs) from the food chain. As the BSE issue evolves, the department continues to provide assistance to industry aimed at preparing them to meet the new business realities. This has resulted in meat processing plants being compliant with and prepared for pending federal requirements for handling SRMs when they are enacted.
- Finalized consolidation of food safety legislation under the Health Protection Act. The legislation is awaiting proclamation. The new regulatory package provides industry with more flexibility to utilize new technologies and food safety management systems to meet compliance standard.

Priority – Review and revise departmental statutes, regulations and policies in accordance with the Red Tape Reduction initiative.

Achievements:

Legislation and Regulations

- Implemented the revised Fish Processors and Fish Buyers' Licence policy. Changes that were implemented included enhancement of the department's fisheries enforcement capabilities and new lobster holding and handling requirements that assist new and existing lobster buyers to maintain access to the US market. The new policy allows for the inclusion of better and more complete information for making regulatory decisions relating to fish processing and buying.
- Conducted a review of key issues identified with the Fisheries and Coastal Resources Act to examine the administrative and operational impact on the department. The review of related policy issue will continue in 2005-06 with particular attention given to legislative amendments to support the needs of aquaculture.
- Worked closely and continually with producer boards under the supervision of the Natural Products Marketing Council (NPMC) and with the Nova Scotia Department of Justice to maintain an up-to-date regulatory framework governing producer boards and allow them to be agile in responding to changes in their marketplaces. This included the establishment of the Nova Scotia Cattle Marketing Plan by Governor in Council on September 23, 2004. The NPMC delegates powers to the new Nova Scotia Cattle Producers' Board to enable it to implement the Marketing Plan. These powers include marketing activities, promotion and research programs, charging producer levies, requiring producers to register and report cattle sales, and signing agreements with the Canadian Beef Cattle Research, Market Development and Promotion Agency. Inaugural zone meetings and elections were held in the six cattle producer zones in February 2005 and the Board's first Annual Meeting of producers was held March 19, 2005. Regulations to implement the new $2 per head levy are under review. The Marketing Plan will provide cattle producers with a responsible and accountable cattle producer board, a smoothly functioning levy system, and strong producer support.

In 2004–05, the Natural Products Marketing Council amended and continued the process to implement, amend or repeal the following plans and regulations:

Sets of Amendments approved:
- Chicken Marketing Plan
- Chicken Farmers of Nova Scotia Regulations
- Total Production Quota Regulations (Dairy)
- Turkey ProducersE Marketing Board Regulations
- Four Bulk Haulage Regulations (Dairy)
- Pork Nova Scotia Regulations
- Milk Pricing Regulations

Sets of Amendments in progress:
- Pork Marketing Plan
- Pork Nova Scotia Regulations
- Egg ProducersE Marketing Plan
- Egg ProducersE Regulations
- Turkey ProducersE Marketing Board Regulations
- Dairy Farmers of Nova Scotia Regulations

New Regulations approved:
- Cattle Marketing Plan (approved by Governor in Council)
- Cattle Marketing Plan (Resolution Respecting Delegation of Authority)

New Regulations in progress:
- Beef Cattle Levy Regulations
- Milk Production and Transportation Regulations
- Mink Marketing Plan
- Fluid Milk Branding Regulations

Repeals in progress:
- Processing Pea and Bean Marketing Plan
- Greenhouse Vegetable Marketing Plan
- Milk Production Regulations
- Milk Transportation Regulations

Red Tape Reduction

- The *Agriculture Administration Amendment Act* (2004), which amended a number of Acts, was proclaimed on April 1, 2005. The changes under the Act are consistent with the goals of the Red Tape Reduction Initiative. The changes will improve operating efficiencies for the Crop and Livestock Insurance Commission, eliminate the Community Pasture Board following its privatization and make it easier for farmers to register their farms.
- Amended the *Agriculture and Marketing Act* as required by the *Agriculture Administration Amendment Act* to repeal the Community Pasture Board, reflect research and educational roles that have evolved at the NSAC and provide greater reporting flexibility to the Agriculture Societies (i.e. commodity boards).

- Amended the *Farm Registration Act* to enable the delegation of the Farm Registrar's duties for the new farm registration process to Service Nova Scotia and Municipal Relations. It also reassigned the power to designate general farm organizations to the Registrar.
- Prepared amendments to the *Cold Storage Plants Loan Act* and *Agriculture and Rural Credit Act.* The *Cold Storage Loan Act* was repealed because it was found to be redundant and outdated. The *Agriculture and Rural Credit Act* was amended to give the Nova Scotia Farm Loan Board the power to lease land, farms, buildings and equipment in which it has an interest as well as the powers to make regulations for leasing.

Core Business 4: Life long learning (education, training, skill development) - focuses on sustaining expertise and excellence in Nova Scotia's agricultural, agri-food and aquaculture industries, and preparing Nova Scotians for a global labour market through teaching, research and community services.

Priority – Implement the Nova Scotia Agricultural College's new strategic plan.

Achievements:

- Continued to implement the Nova Scotia Agricultural College (NSAC) Marketing Plan. Redeveloped visual materials such a program sheets and redesigned NSAC website to reflect a new marketing thrust. The new Marketing Plan and associated changes have resulted in a 15 percent increase in student applicants to the NSAC, increased awareness of the NSAC as a post-secondary education and research option, a doubling of donations to the NSAC by alumni and friends of the institution that will ultimately improve programs, and an increase in the number of named scholarships provided to students that helps to attract them to NSAC.

- Continued to implement the Enrolment Management Plan that gives direction to the NSAC with respect to anticipated and planned growth between 2005 to 2010 and beyond. Designed new programs in response to a market review conducted by the NSAC and continued to develop a Ph.D. program in Agriculture. The program is proposed to be offered in affiliation with Dalhousie University and will be the only doctoral program in agriculture in Atlantic Canada. It will allow highly-qualified personnel at the Masters degree level the option of furthering their skills development and training in independent research areas that will benefit the agricultural and food-science industries of Nova Scotia and Atlantic Canada.
- Reviewed residence renovation and reconstruction options to determine costs. The review determined that there is only a small difference in costs between renovating existing or building new residences. The NSAC is developing a business case for new residence construction.
- Continued to discuss collaboration on joint programs with the Nova Scotia Community College (NSCC). This would allow students from one institution to complete their course of study by pursuing classes at the other school. Discussions are progressing, but no agreement has yet been reached.
- Continued discussions on a new governance model for the NSAC. The NSAC is designing and implementing a process to move government towards a redefinition of the NSAC and a repositioning of the university within both the Nova Scotia Department of Agriculture and Fisheries and the Government of Nova Scotia.

Internal Management

Priority – Implement organizational management initiatives

Achievements:

- Completed 60 percent of the STOR records management project for the department by March 31, 2005, identified project team members for the NSAC STOR Development Project, and changed the Departmental Records Management Policy to incorporate the NSAC as part of the groundwork for the STOR development at the NSAC. The implementation of STOR will improve the management of records in the department to ensure that it can be accountable to its clients and make informed decisions based on accurate and reliable information.
- Developed a departmental response plan to the results of the 2004 Employee Satisfaction Survey. The plan was developed with broad employee input and focuses on improving performance in seven areas. Specific actions and performance measures have been identified for nine priorities. Implementation will start in 2005–06.
- Conducted an internal occupational health and safety audit to determine the level of compliance with OH&S legislation and regulations. All work sites were visited and a report was developed containing 10 recommendations to improve health and safety in the workplace.
- Redesigned and updated the department website. The Website Improvement Project better promotes the role of the department to its client industries, and improves public awareness of the agriculture and fishing industries and the contributions of these sectors to the Nova Scotia economy.

BUDGET CONTEXT from BUSINESS PLAN 2004–05

Nova Scotia Department of Agriculture and Fisheries 2004–05 ($000's)

Programs and Service Area	**Actual 2004-05**	**Budget 2004-05**	**Variance**
Ordinary Revenues	661	763	(102)
TCA Purchase Requirements	313	313	0
Net Program Expenses			
Senior Management	837	835	2
Policy and Planning	742	764	(22)
Agriculture Services	26,986	18,663	8,323
Legislation and Compliance Services	5,326	5,362	(36)
Industry Development and Business Services	5,686	4,533	1,153
Fisheries and Aquaculture Services	3,543	3,421	122
Nova Scotia Agricultural College	7,021	7,218	(197)
Total Net Program Expenses	**50,141**	**40,796**	**9,345**
Provincially Funded Staff (FTEs)	**514.0**	**512.6**	**1.4**
FTEs			
Senior Management	4.3	4.0	0.3
Policy and Planning	9.9	11.0	(1.1)
Agriculture Services	69.1	70.5	(1.4)
Legislation and Compliance Services	79.2	82.7	(3.5)
Industry Development and Business Services	55.7	57.3	(1.6)
Fisheries and Aquaculture Services	48.2	50.0	(1.8)
Nova Scotia Agricultural College	247.6	237.1	10.5
Total FTEs	**514.0**	**512.6**	**1.4**

Variance Explanation Notes: The total Net Program Expense Variance of $9.345 million represents: Nova Scotia Transitional Income Support Program ($8.1 million), Capacity Building Initiative through Cattle Producers ($500,000), Pork Industry Loan-Interest Grant, increased funding (by $300,000) from the Nova Scotia Higher Education Council ($426,498), Technical Funding not received from PEI and New Brunswick ($541,000), bad debt reserve for Fisheries Loan Board ($595,000), and miscellaneous savings, increased recoveries or adjustments of ($265,378)

MEASURING OUR PERFORMANCE 2004–05

The four-year planning cycle that began in 2001–02 concluded in 2004–05. As a result, this year in the "Where do we want to be?" section under each performance measure the department has captured both how it has done in achieving its targets over the last four years, as well as its future goals for each measure. In 2005–06, the department will begin a new three-year planning cycle. Some of the targets below will be maintained, while others will be replaced.

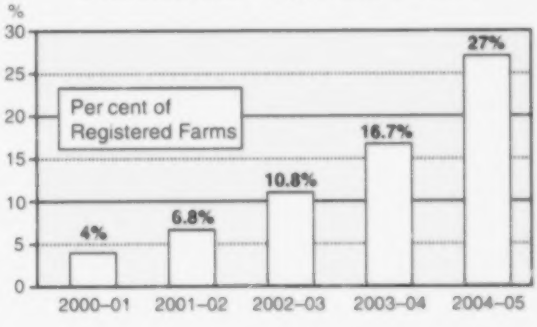
The department has four core business areas, the first of which is ***Sustainable Resource Management.*** An outcome that will contribute to this core business area is **viable agriculture, fisheries and aquaculture sectors**. The following measures[1] are used to record movement toward achieving the outcome:

- **Percentage of Registered Farmers participating in the Nova Scotia Environmental Farm Plan Initiative**

What does the measure tell us? Government assists farmers through educational and developmental programs that encourage sustainable farming practices, such as soil, water, and air management. The number of farmers participating in the Nova Scotia Environmental Farm Plan initiative is expressed as a percentage of all registered farmers under the *Nova Scotia Farm Registration Act*. Increasing the number of farms participating in the Environmental Farm Plan initiative will result in conservation and sustainable development of soil, water, air and biodiversity resources.

Where are we now? As of March 2005, approximately 670 farms were participating in the Environmental Farm Plan (EFP) initiative. This represents 27 percent using a base of 2400 registered farms. There has been a steady increase in the percentage of participants in the EFP initiative as shown below. (Source NSAF)

Percentage of Farms with Environmental Farm Plans in Place



Where do we want to be? Our target was 20 percent or one in five farms will have Environmental Farm Plans in place by 2004–05. As of March 2005 this target has been exceeded. The EFP Initiative is a priority in Nova Scotia and is highlighted in the Canada-Nova Scotia Implementation Agreement for the APF as a key element of sustainable agricultural development. This measure has been maintained for the new three-year planning cycle starting in 2005–06 and new annual targets have been established.

- **Dollar Value Research Projects Awarded**

What does the measure tell us? The dollar value of research projects awarded reflects success in efforts to identify and undertake scientific research. This leads to

[1] Due to updating by Statistics Canada and Fisheries Oceans Canada, some of the data used in this section for prior years has been adjusted to reflect the more up-to-date data and may not be the same as reported in previous Accountability Reports.

development and adoption of innovative technology, and sustainable agriculture and aquaculture practices.

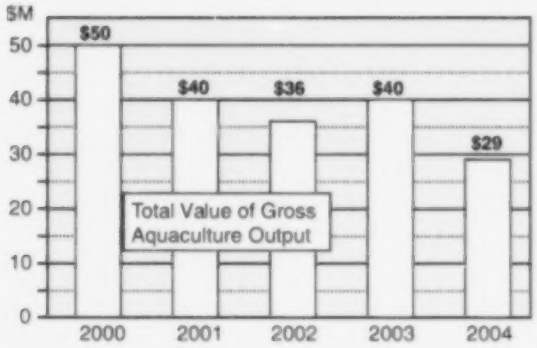
Where are we now? In 2004–05, $5.4 million in contract research funding was awarded to the Nova Scotia Agricultural College (NSAC) to support 154 projects. This represents an increase from the $4.86 million in research funding received by the NSAC from all sources (e.g. Federal and Provincial programs, private industry, etc.) in 2003–04. The funded projects support the development or adaptation of new, leading edge agricultural technologies, as well as research in agricultural water management. (Source NSAC)

Where do we want to be? The target for the department and NSAC was to increase the value of research projects awarded each year. The department and NSAC have met this target in each of the last five years. The department and NSAC will continue to work with partner organizations to address water, soil and climatic changes impacting on agriculture, aquaculture and rural communities, and to undertake applied and theoretical research contributing to sustainable resource management. A variation of this measure will be implemented for the new three-year planning cycle starting in 2005–06 and targets have been established.

- **Value of Gross Aquaculture Output**

What does the measure tell us? The dollar value of gross aquaculture output in the province reflects the productivity of this sector. Resource management practices such as appropriate site selection/husbandry are important for sustainable growth of the sector. The dollar value of gross aquaculture output in the province also reflects farm gate production. Most of the production is exported, thus, it represents new money into a community. The benefit is a net increase in employment for these areas.

Value of Gross Aquaculture Output



Where are we now? In 2004, gross aquaculture output in the province had a value of $29 million. This is a decrease from 2003 due to intense international competition, the strong Canadian dollar versus the US dollar, and a downturn in Atlantic salmon aquaculture. In 2003, gross aquaculture output in the province increased over 2002 due to increases in production by salmon companies and new mussel sites. Gross aquaculture output had declined from 2000 to 2002, mainly as a result of the loss of one company, a failure of the European oyster industry and an outbreak of Multinucleate Sphere X (MSX), a parasitic disease of American (or Eastern) oysters. (Source NSAC)

Where do we want to be? Future goals are to increase the value of gross aquaculture output, support sustainable growth in coastal and rural communities, and to produce safe, high quality seafood products. This measure has been maintained for the new three-year planning cycle starting in 2005–06 and new annual targets have been established.

- **Dollar Value Sport Fishing Activities to the Province;**
- **Percentage Change in Sport Fishing Licenses Sold**

What do these measures tell us? The dollar value of sport fishing activities in the province and the percentage change in sport fishing licences sold reflect efforts to promote conservation and enhancement of inland fish stocks, and increase recreational fishing activities. These efforts by government, industry and community partners contribute to a sustainable sport fishery resource. The measures also reflect the importance individuals place on leisure activities. Nova Scotia's economic contribution is comparable with other Canadian provinces on a pro-rated basis. If Nova Scotia is successful in attaining access to marine resources for recreational purposes, the province will exceed national standards.

Where are we now? In 2005 the value of sport fishing activities remained at an estimated $85 million. Sport fishing license sales remained constant from 2003 to 2004 with only a small 1.8 percent decrease in the number of sport fishing licenses sold. (Source NSAF)

Where do we want to be? The target was to increase both the dollar value of sport fishing activities in the province and the percentage change in sport fishing licenses sold compared to the base year 1999. The target was to have the value of sport fishing activities exceed $100 million by 2005 and achieve sales of 70,000 licenses per year by 2005. The target remains, but it is expected to take a couple of years longer to achieve. To achieve this target, the department will continue to partner with government, industries and communities to identify and promote sport fishing activities and events, promote conservation, and enhance inland fish stocks to strengthen the sportfish resource. This dollar value of sport fishing activities measure will be maintained for the new three-year planning cycle starting in 2005–06 and new annual targets have been established. The percentage change in sport fishing licenses sold will not be maintained for the new planning cycle.

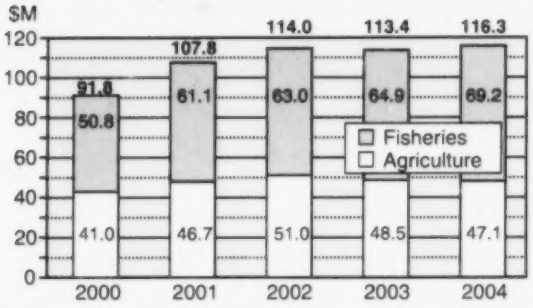
The second core business area of the department is ***Industry Growth and Development.*** An outcome that will contribute to this core business area is **economic growth and prosperity in rural and coastal communities**. The following measures are used to record movement toward achieving the outcome:

- **Dollar Value Total Capital Expenditures Agriculture and Fisheries**

What does the measure tell us? The dollar value of total capital expenditures in agriculture and fisheries shows the amount of capital investment in the sectors over the 2004 year and compares it with the previous year. Investments of this nature contribute to economic growth and prosperity within rural and coastal communities in the province.

Where are we now? In 2004, the total value of capital expenditures was $116.3 million, an increase of $2.9 million from the total value of $113.4 million in 2003. The 2004 total is the sum of $47.1 million spent in agriculture and $69.2 million spent in fisheries in 2004. (Source Statistics Canada, Private and Public Investment in Canada, Cat. No. 61-206)

Dollar Value Total Capital Expenditures Agriculture and Fisheries



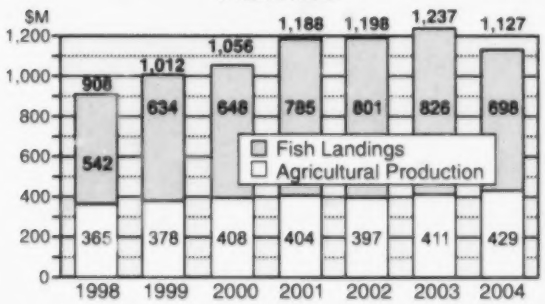
Where do we want to be? The target is to continue increasing total capital expenditures in both sectors. Combined capital expenditures in agriculture and fisheries increased from 2000 to 2004. Capital expenditures in agriculture increased each year from 2000 to 2002, but declined slightly in 2003 and again in 2004. This was due to market conditions resulting from the closure of the US border to Canadian cattle following the discovery of BSE in Alberta. The department will retained this measure for the new three planning cycle starting in 2005–06 and will continue to meet new targets and strengthen linkages between public investment and best management practices for public and private investment.

- **Value Agricultural Production**
- **Value of Fish Landings**
- **Primary Value of Agriculture and Fisheries**

What do these measures tell us? These three measures show the dollar value of industry performance on a sector basis and their combined total from primary production. The values enable the department to track industry performance, work with industry to identify opportunities, address and mitigate issues that challenge agricultural production and fish landings. Industry performance impacts on the economic health of Nova Scotia's rural and coastal communities.

Where are we now? In 2004, the value of agricultural production was $429 million, an increase of $18 million from $411 million in 2003. This increase is the result of strength in the mink, blueberry and poultry sectors. The value of fish landings in 2004 was $698 million, a decrease from $826 million in 2003. This decrease can be attributed to the stronger Canadian dollar versus the US dollar. As a result, the primary value of agriculture and fisheries decreased from $1.237 billion in 2003 to $1.127 billion in 2004. (Source Statistics Canada, Private and Public Investment in Canada, Cat. No. 61-206 and Fisheries and Oceans Canada)

Primary Value of Agriculture and Fisheries

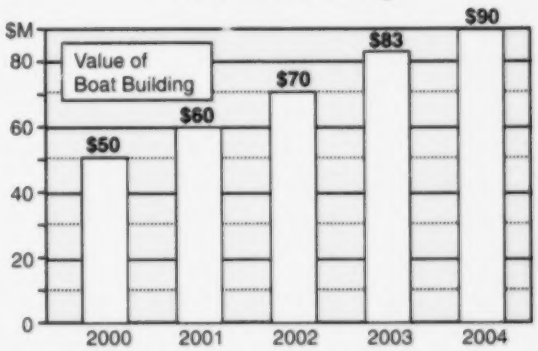


Where do we want to be? In the future, the target is to increase the values of agricultural production, fish landings and the total primary value of agriculture and fisheries. The combined primary value of agriculture and fisheries increased 10.3 percent over the four-year period from 2000 to 2003. The value of agricultural production increased slightly during the same period. The value of fish landings increased 15.8 percent from $705 million in 2000 to $817 million in 2003 due to increased landings of shell fish, particularly snow crab, shrimp and lobster, before decreasing slightly in 2004. The department will retain this measure for the new three-year planning cycle starting in 2005–06 and continue to work with industry and other stakeholders to identify opportunities and address issues that challenge production and landings.

- **Value Boat Building**

What does the measure tell us? This measure shows the activity in the boat building sector in the province. The dollar value enables the department to track industry performance and its impact on the economic growth and prosperity in rural and coastal communities.

Value Boat Building



Where are we now? In 2004, the value of boat building was $90 million. This was an increase of $7 million or 8.4 percent from the $83 million value in 2003. This reveals strong economic growth in the sector. (Source NSAF)

Where do we want to be? The target was to increase the value of boat building within the province. The value of boat building has increased each year from $50 million in 2000 to $90 million in 2004. This is an increase of 80 percent over five years. The department will continue to work with the industry to identify opportunities, address and mitigate issues that challenge industry growth and development. Present challenges are associated with trained skilled workers. This department will retain this measure for the new three-year planning cycle starting in 2005–06 and new annual targets have been established.

- **Value of Shipments Food Manufacturers;**
- **Food Manufacturing Value-added**

What do these measures tell us? The Value of Food Manufacturers Shipments measure shows the dollar value of shipments by food manufacturers in the province. The Food Manufacturing Value-added measure shows sector activity beyond the primary production level. Value-added activity contributes to economic growth and prosperity in rural and coastal communities and urban centres.

Where are we now? In 2004, the preliminary value of shipments by food manufacturers was $2.043 billion.[2] This is a decrease of 8.5 percent from $2.232 billion in 2003. The value-added ratio is the percentage of food manufacturers shipments that is comprised of value-added food products. In 2003, the most recent year available, the ratio decreased to 31.9:1.[3] (Source Statistics Canada, Private and Public Investment in Canada, Cat. No. 61-206)

Where do we want to be? The target was to increase the value of shipments by food manufacturers. The value-added shipments' ratio decreased from 36.5 percent to 31.4

---

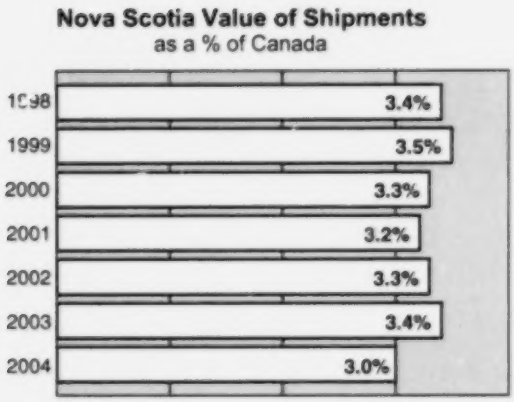
[2] This figure is the sum of Statistics Canada's 2004 monthly reports on the value of shipments. The year-end value is not yet available and may differ slightly from this figure.

[2] These ratios are down from 1999 due to methodological changes made to Statistic Canada's Annual Survey of Manufactures (ASM), which were implemented in 2000. The changes included the use of Statistics Canada's Business Register to identify in-scope businesses for the ASM and the expansion of the ASM to include all manufacturing activity in Canada.

percent between 1999 and 2001. In 2002, the ratio increased to 33.4 percent before decreasing again in 2003. This department will retain the Food Manufacturing Value-added measure for the new three-year planning cycle starting in 2005–06 and new annual targets have been established. The Value of Shipments of Food Manufacturers measure will not be retained.

- **Nova Scotia Value of Shipments as a percent of Canada**

What does the measure tell us? This measure shows Nova Scotia's value of shipments by the food manufacturing industry as a percentage of Canada. The measure enables the department to track the performance of food manufacturers as it compares nationally.



Where are we now? In 2004, preliminary estimates of Nova Scotia Value of Shipments as a percentage of Canada was 3.0 percent. (Source Statistics Canada, Private and Public Investment in Canada, Cat. No. 61-206)

Where do we want to be? The target for the measure was to maintain or increase Nova Scotia's Value of shipments as a percentage of Canada. As the table above shows, the trend has been more or less constant from 1998 through 2003. The department will drop this measure from the new planning cycle to focus on the value-added measure.

- **Value Exports Fish and Fish Products;**
- **Value Exports Food, Beverages, and Agriculture Products;**
- **Total Value Exports Agriculture and Fisheries**

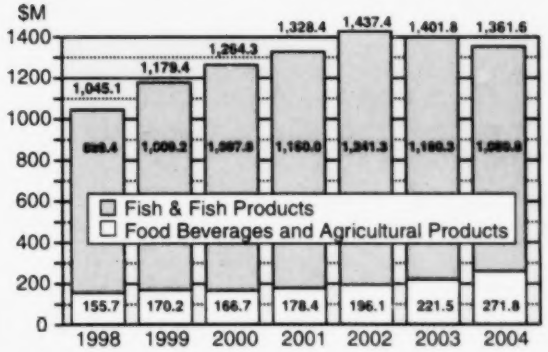
What do these measure tell us? These measures show the dollar values of food export activities in agricultures, fisheries and their combined export value. The measures enable the department to work with industry and other stakeholders to identify and capture export market opportunities for Nova Scotia agriculture and fisheries products which contribute to economic growth and prosperity for the province.

Where are we now? In 2004, the export value of fish and fish products was $1.089 billion, the export value of food, beverages and agriculture products was $271.8 million, and the total dollar value of agriculture and fisheries' exports was $1.362 billion (approximately $1.4 billion). (Source Statistics Canada, Private and Public Investment in Canada, Cat. No. 61-206)

Where do we want to be? The target for these measures was to increase the export value each year. There has been an increasing trend in the export values as shown in

the graph, with a slight decrease in the value of fish exports over 2003 and 2004. This decrease was due to the stronger Canadian dollar versus the US dollar. The increasing trend in agriculture exports is due primarily to the strength of the blueberry sector. The department will retain this measure for new planning cycle starting in 2005–06 and continue its collaboration with industry and government agencies to address and facilitate market access issues and actively pursue international market opportunities.

Total Value Exports Agriculture and Fisheries



The third core business area of the department is ***Responsible Governance***. An outcome that will contribute to this core business area is a **responsible and responsive legislative environment**. The following measures are used to record movement toward achieving the outcome:

- **Number of Participants in Food Safety Training Courses**

What does this measure tell us? Food safety is essential for a healthy population. This measure shows the number of individuals who have participated in training courses in food safety education, identification of food hazards, prevention and control of incidences of food borne illnesses. Greater awareness of food safety issues assist in maintaining a healthy population. The measure contributes to responsible government.

Where are we now? Successful food safety programs also depend upon the involvement of volunteer groups and agencies. In 2004, Food Safety Specialists provided three and six-hour courses to approximately 2,101 food handlers, including community and church volunteers, workers in the food industry and students. This was down from approximately 3,000 in 2003. Fund-raisers, community events and other volunteer activities where food is served are traditions in Nova Scotia. The department realizes that education is key and offers the food handler training course to volunteers free of charge. The course provides participants with information about food-borne diseases, hand washing, pest control, cleaning and sanitizing, and proper ways to prepare, ship and store food. (Source NSAF)

Where do we want to be? The target for this measure was to sustain or increase the number of participants each year. The small decrease in program participants from 2001 to 2004 was due to a one-time requirement for food handlers to take training. The number of initial participants was greater than the number currently requesting the program and each year fewer food handlers remain untrained. The department will continue to work with industry partners to implement a Food Safety Program that includes cross-training for inspection personnel, food safety and product evaluation. A variation of this measure has been developed for the new three-year planning cycle starting in 2005–06 and targets have been established.

- **Number of Site Inspections**

What does this measure tell us? This measure shows the number of site inspections carried out by the department in 2003. It contributes to the effectiveness of an integrated food safety program leading to prevention and control of incidences of food borne illnesses.

Where are we now? In 2004, the Food Safety section licensed 5,834 food facilities and completed 9,531 inspections, down from 11,000 in 2003 and 11,615 in 2001. (Source NSAF)

Where do we want to be? The target was to increase the number of site inspections each year. The decrease in inspections from 2001 to 2004 was due to fewer inspections required in food facilities that have implemented their own quality assurance programs. In addition, food safety specialists were assigned additional responsibility for inspection of child care facilities. The number of annual inspections required in licensed food facilities depends on the assessed level of risk. The department will continue to work with industry partners to implement food safety regulations and develop a seamless seafood program for retail establishments and measure progress in this area. The department will drop this measure from the new planning cycle and replace it with a series of new measures that will capture adherence to food safety standards.

- **Number of Consumer Complaints Requiring Investigation of Food Safety Issues**

What does this measure tell us? The number of consumer complaints that required investigation of food safety issues assists the department in identifying areas where food safety courses could be targeted, and where site modifications may be required to control incidences of food borne illness. Reducing the number of consumer complaints requiring investigation of food safety issues builds consumer confidence in the food industry and is a part of responsible governance.

Where are we now? In 2004, Food Safety Specialists investigated 331 consumer complaints, down from 338 the previous year and 432 in 2001. (Source 2004 Activity and Inspection Summary Report NSAF)

Where do we want to be? The target was to decrease the number of consumer complaints that require investigation of food safety issues. The number of complaints requiring investigation has continued to decrease each year from 2001 to 2004. The department will drop this measure from the new planning cycle and replace it with a series of new measures that will capture adherence to food safety standards. The department will continue its strategy of cross-training food safety staff and inspections in order to achieve the new targets.

- **Revision/Review of Department's Legislative/Regulatory Framework**

What does the measure tell us? This measure shows the number of Acts reviewed by the department on an annual basis to ensure they are current with changing needs of the industry and with other legislation. It contributes to competitive industry

sectors operating within a responsible and responsive legislative environment.

Where are we now? In 2004, amendments were made to five Acts and 11 sets of regulations. Amended Acts included the Agriculture and Marketing Act, Agricultural and Rural Credit Act, Cold Storage Plants Loan Act, Crop and Livestock Insurance Act and Farm Registration Act. (Source NSAF)

Where do we want to be? The department had a target to complete the review of four Acts by 2004–05. The department has exceeded this goal. A variation of this measure will be implemented for the new three-year planning cycle starting in 2005–06 and targets have been established. The department will continue to measure progress in this area and work with industry and governments to develop, implement and revise legislative/regulatory instruments.

The fourth core business area of the department is ***Education, Training, Skill Development and Life Long Learning***. One outcome that will contribute to this core business area is a **highly skilled, internationally competitive workforce**. The following measures are used to record movement toward achieving this outcome:

- **Ratio of Employment Opportunities to Number of Graduating Students**

What does this measure tell us? This measure shows the number of employment opportunities to the number of graduating students from the NSAC. The measure is expressed as a ratio. The measure shows the effectiveness in providing quality academic programs that reflect the demands of a competitive employment environment in agriculture and aquaculture. Graduates form a part of a highly-skilled internationally competitive workforce.

Where are we now? The ratio of employment opportunities to the number of graduating students for 2004 was approximately 5:1. This reflects strong market demand for students specializing in agriculture/aquaculture disciplines and the effectiveness of NSAC in meeting the needs of industry in Nova Scotia. (Source NSAC)

Where do we want to be? The target was to sustain or increase the ratio of employment opportunities to the number of graduating students. The NSAC has maintained or increased this ratio each year from 2000 to 2004. A variation of this measure will be implemented for the new three-year planning cycle starting in 2005–06 and targets will be established. The NSAC will continue to provide and revise, as needed, quality academic programs that reflect the needs of a competitive employment environment.

- **Dollar Value of Applied and Theoretical Research Awarded**

What does the measure tell us? The dollar value of applied and theoretical research awarded shows the research capacity of the NSAC. This contributes to development and recognition of a highly-skilled internationally competitive workforce, supporting innovation and growth in agriculture.

Where are we now? In 2004, applied and theoretical research projects with a value of $5.4 million were actively on-going at NSAC. (Source NSAC)

Where do we want to be? The target was to sustain or increase the dollar value of applied and theoretical research awarded. Revenue for research at NSAC showed a steady increase from 2001 to 2004 ($3.2 million in 2001 to $3.8 million in 2002 to $4.87 million in 2003 to $5.4 million in 2004). The increase in dollar value achieves the target set. The NSAC will continue its efforts to enhance its research capacity through participation in the Canada Research Chairs Program, the Canada Foundation for Innovation, the Atlantic Innovation Fund and other partnerships in support of research professorships. The department will drop this measure from the new planning cycle to focus on a measure that captures both research and infrastructure grants.

A second outcome that will contribute to the core business area, ***Education, Training, Skill Development and Life Long Learning*** is **community leadership capacity in youth as an investment for leaders of the future**. The following measures are used to record movement toward achieving this outcome:

- **Number of 4-H Members**

What does this measure tell us? The number of 4-H members reflects how rural and urban youth value the program. It also reflects the department's work with communities to deliver the 4-H program and develop life long learning skills with members and volunteers.

Where are we now? In 2004 Nova Scotia had 2,388 4-H members. This was a slight decrease from 2,398 in 2003 and is consistent with national trends in rural organizations. (Source NSAF)

Where do we want to be? The target for this measure was to sustain the number of 4-H members. In 2002, Nova Scotia had 2,230 4-H members, which was down 170 members from 2001. This figure rose to 2,398 in 2003 bucking the National trend of a decrease in membership in rural organizations. The decrease in membership from 2001 to 2002 can be partially attributed to age demographics and senior members moving on to secondary education. The department will drop this measure from the new planning cycle, but will continue to monitor progress in this area. The department will continue to work with communities to promote 4-H membership and to expand partnerships with new initiatives.

- **Percentage Change Knowledge Survey of Learning Events/Opportunities**

What does this measure tell us? The measure reflects the effectiveness in delivery and content of education opportunities to 4-H members. Knowledge gained contributes to the development of life long learning skills.

Where are we now? Increases were recorded in the knowledge of participants from 17 percent in pre-conference surveys of learning events/opportunities to 60 percent in

post-conference surveys of learning events/opportunities during 2004–05. This is an increase from the 34 percent reported in 2003–04. The results indicate the effectiveness of learning events delivery and interest to attendees. (Source NSAF)

Where do we want to be? The 4-H Program had a target to increase the percentage change in the knowledge of participants in learning events/opportunities. The 4-H Program has achieved its target by increasing this target each year from 2002–03 to 2004–05. The department will drop this measure from the new planning cycle, but will continue to monitor progress in this area. The 4-H program will continue to evaluate the educational opportunities it provides to its members.